

CIP BUDGET EXPENSE DETAIL

DATE OF COUNCIL CONSIDERATION:

2/16/17

CONTACT DEPARTMENT(S):

Austin Convention Center

SUBJECT: Authorize negotiation and execution of a competitive sealed proposal agreement with GADBERRY CONSTRUCTION COMPANY, INC., for the construction improvements of a multi-purpose meeting space and associated tasting kitchen to be named InVision Studios for an amount not to exceed \$2,475,000.00. (District 1)

CURRENT YEAR IMPACT:

Department:	Austin Convention Center
Project Name:	InVision Studios
Funding Source:	Austin Convention Center Operating Fund
Fund/Dept/Unit:	8900-8207-4057

Current Budget	2,700,000.00
Unencumbered Balance	2,546,837.32
This Action	<u>(2,475,000.00)</u>
Estimated Available	<u>71,837.32</u>

ANALYSIS / ADDITIONAL INFORMATION: The current project budget of \$2.7 million is an Austin Convention Center Department (ACCD) CIP project, funded from transfers from departmental operating funds and by ACCD's catering and concession contractor (Contractor). Because the studio concept is centered around catering and concessions activities, costs associated with the project are eligible for reimbursement by ACCD's Contractor. The contract between ACCD and the Contractor established an initial Capital Investment Fund of \$1.5 million, funded by the Contractor and paid back to the Contractor over the 10-year term of the contract in the form of a monthly expense. It is anticipated that the Contractor's Capital Investment Fund will have approximately \$1.2 million of available funds to reimburse to ACCD for this project, reflecting a net project cost to ACCD of \$1.5 million. On June, 18, 2015, Council approved expenditures for architectural services. At that time, the fiscal note reflected a project budget of the net cost to ACCD of \$1.5 million. Subsequently, the project budget has been increased by \$1.2 million, to the current budget of \$2.7 million, to reflect the total amount projected to be spent on the project through both ACCD and Contractor funding sources. Building improvements made through creation of the studio space will become part of the City's assets and will be owned by the City.